



# **International Business Development The Expanding European Union - Trade Implications for Utah Companies**

## **The Case of Poland**

**Salt Lake City, Utah  
December 9, 2004**

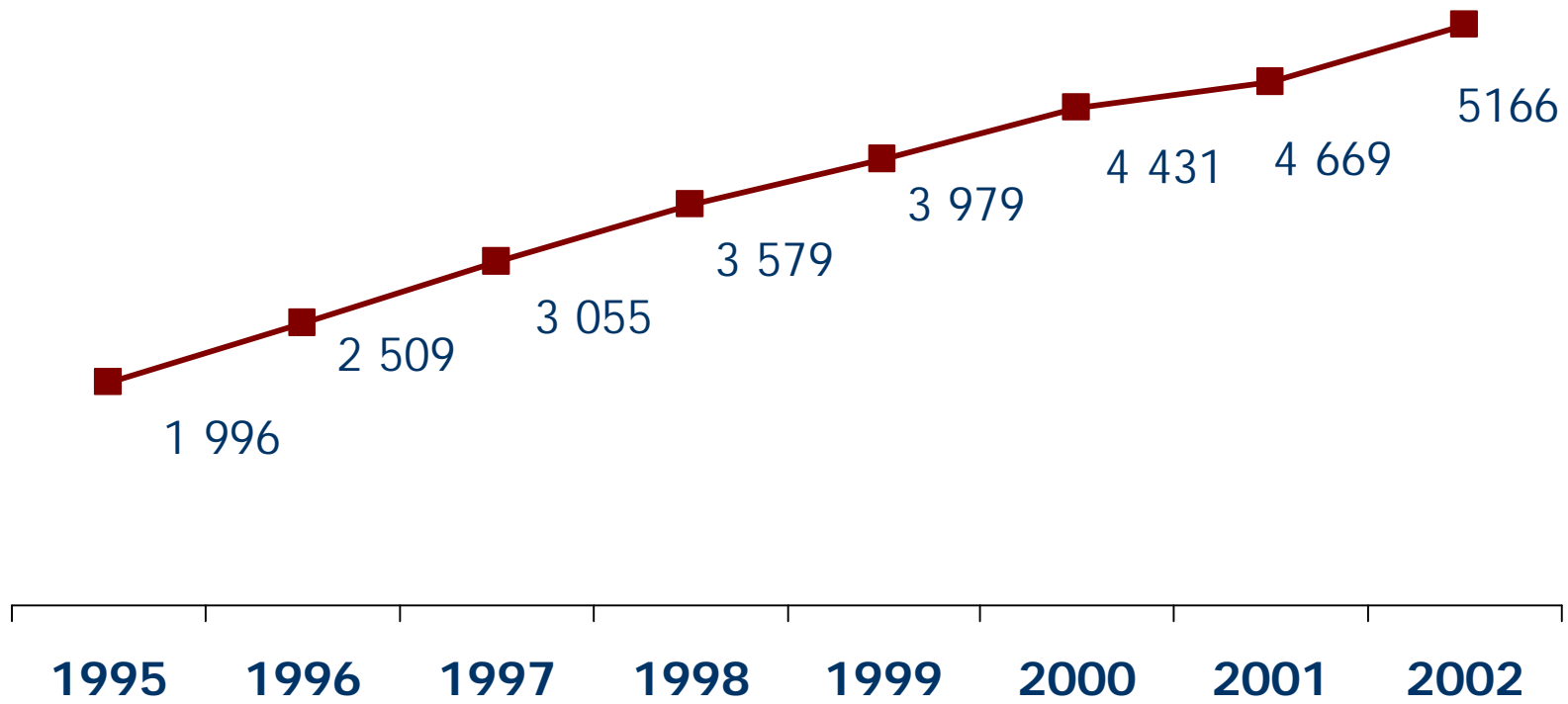
## POLAND – AN OVERVIEW

- Area: 122.1 square mile
- Population: 40 million
- Capital: Warsaw
- Currency: Polish Zloty (\$1 » PLZ 4,0)
- Inflation: 1.3%
- GDP per capita: \$ 4.658



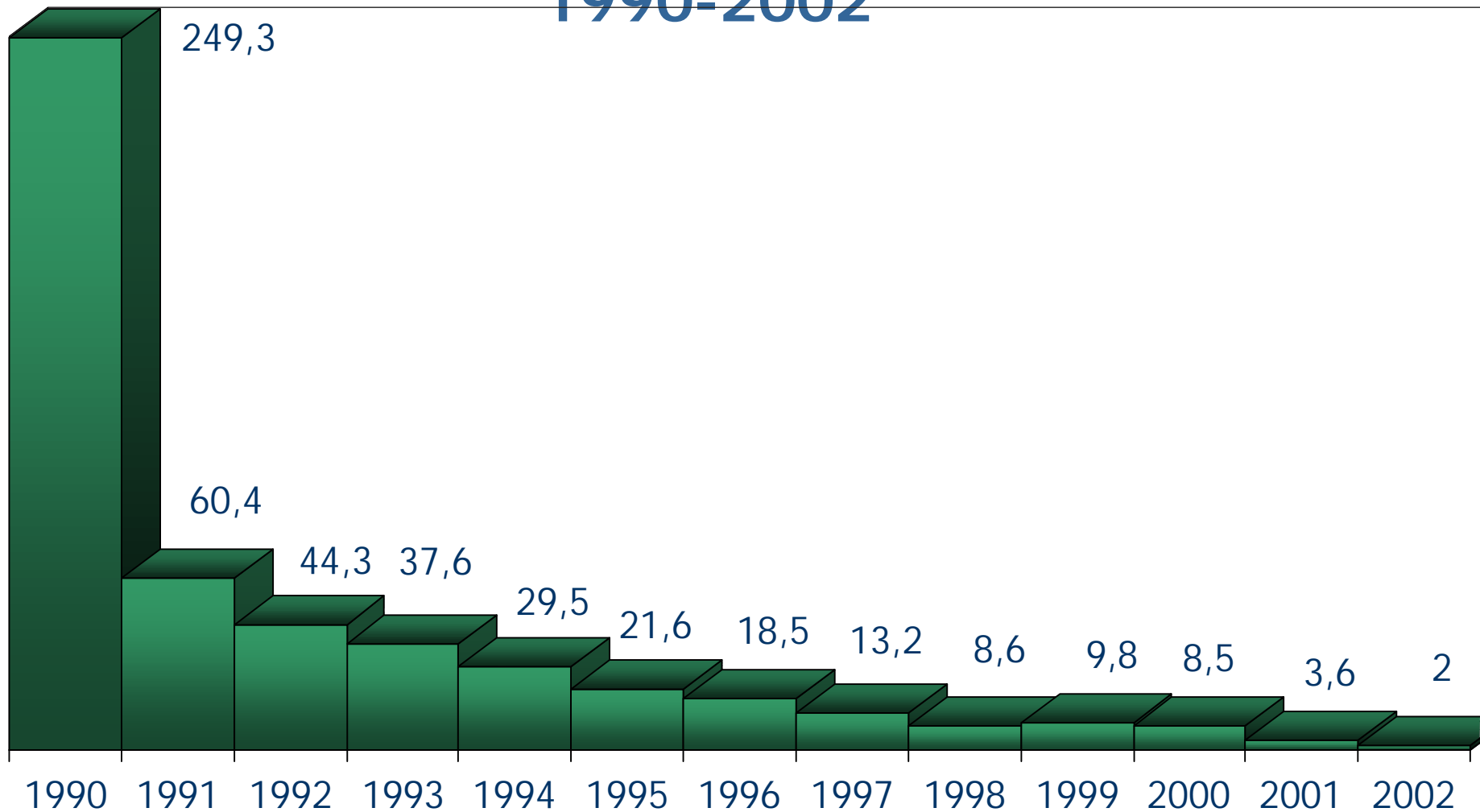
## WHY POLAND

### GROSS DOMESTIC PRODUCT PER CAPITA (EUR)



# WHY POLAND

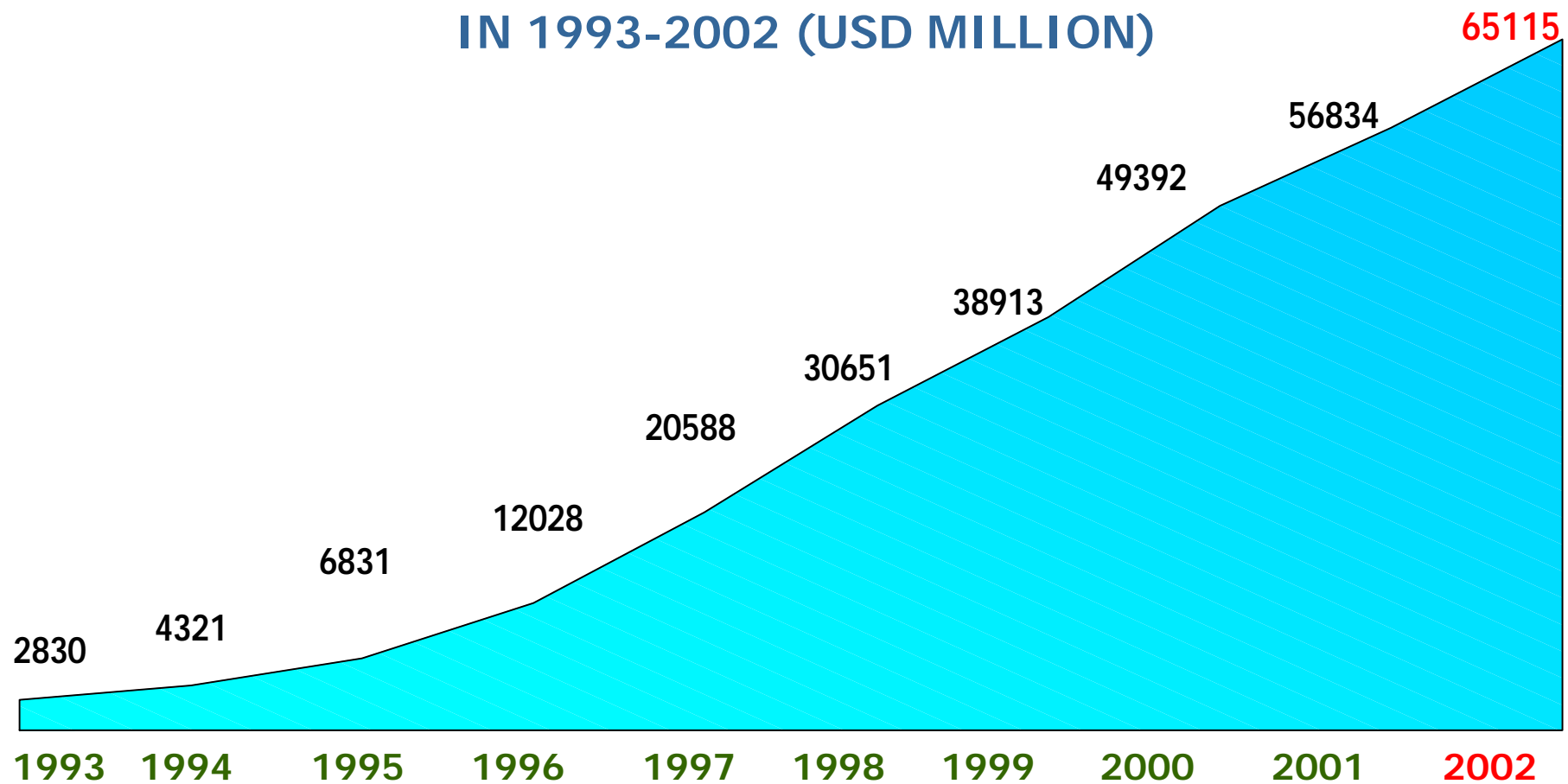
## INFLATION AT END OF YEARS 1990-2002



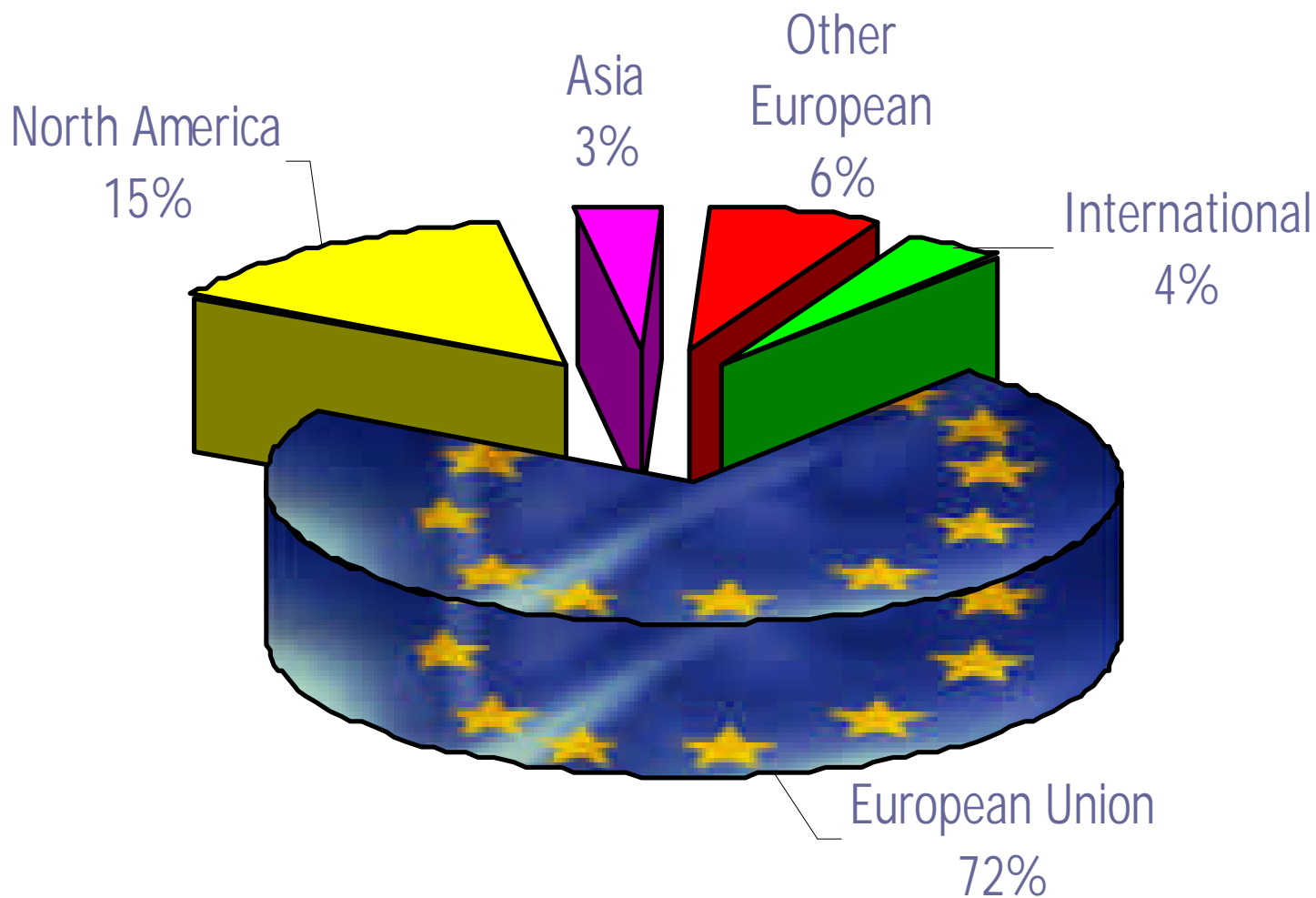
**TAXES****BASIC TAXES for 2004**

Corporate Income Tax	19%
Personal Income Tax	19%; 30% and 40%
Value Added Tax (VAT)	22%

## FOREIGN DIRECT INVESTMENT STOCK IN POLAND IN 1993-2002 (USD MILLION)

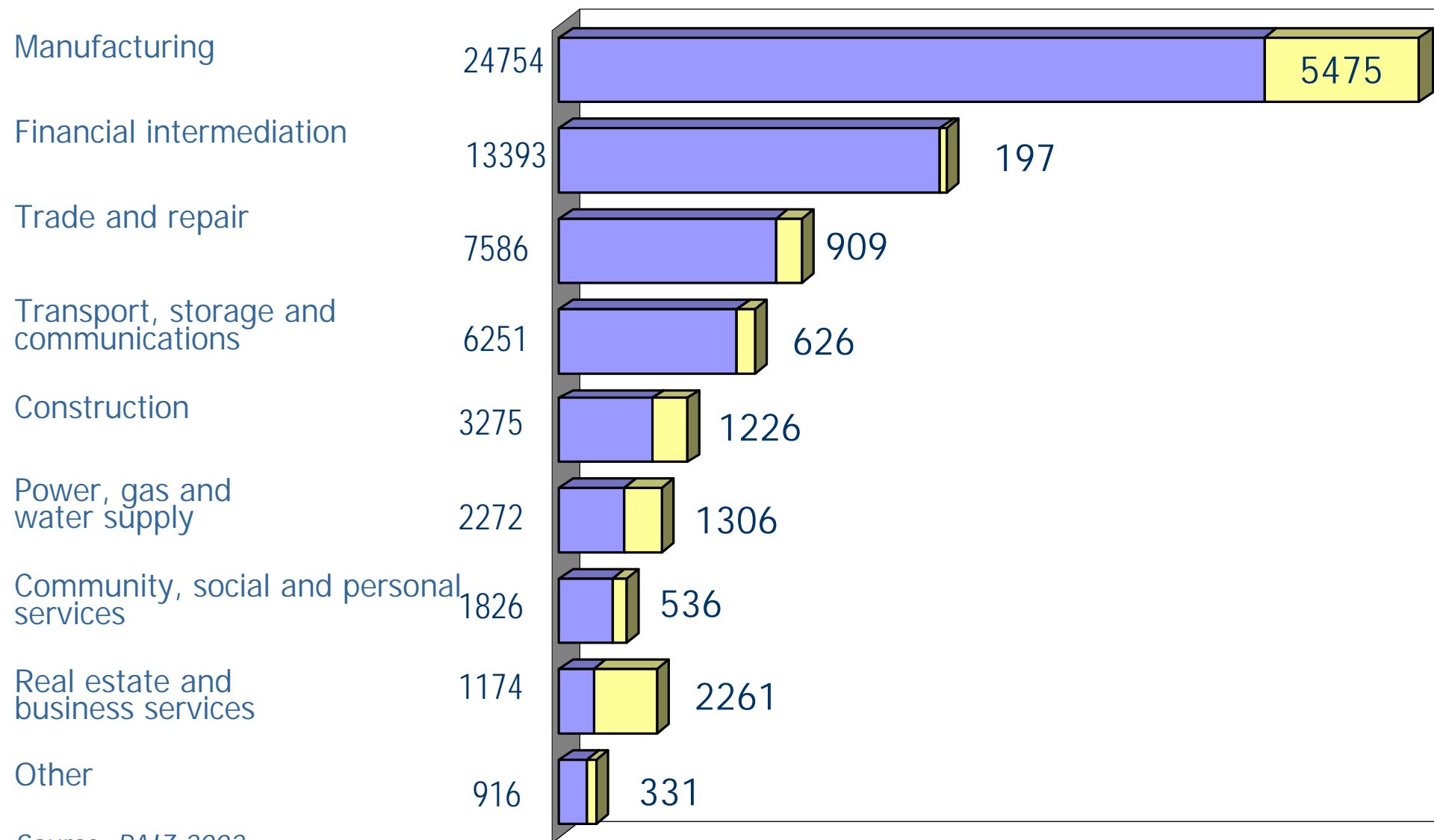


## FDI BY ORIGIN OF CAPITAL



**FDI**

## INFLOW OF FDI - CUMULATIVE VALUE BY SECTORS





# AMERICAN INVESTMENT IN POLAND

- USA - 2nd largest investor-country
- USD 8,736 billion of investment
- 128 companies
- leading sectors: financial intermediation, automotive and capital investment

## LARGEST AMERICAN INVESTORS

	company	USD mn	sector
1.	Citigroup	1,300	Financial intermediation
2.	General Motors Corporation	800	automotive
3.	Enterprise Investors	665	capital investment
4.	Philip Morris	500	tobacco processing
5.	IPC	482	pulp and paper

# INVESTMENT INCENTIVES

## INVESTMENT INCENTIVES IN POLAND

- Income tax exemptions in Special Economic Zones
- Financial grants for new investment
- Financial grants for creation of new jobs and training of employees
- Exemptions from local taxes and levies
- Facilitations in customs procedures

# POLAND IN THE EU

## Steps towards accession



1.05.2004

EU MEMBERSHIP

7-8.06.2003

ACCESSION REFERENDUM

13.12 2002

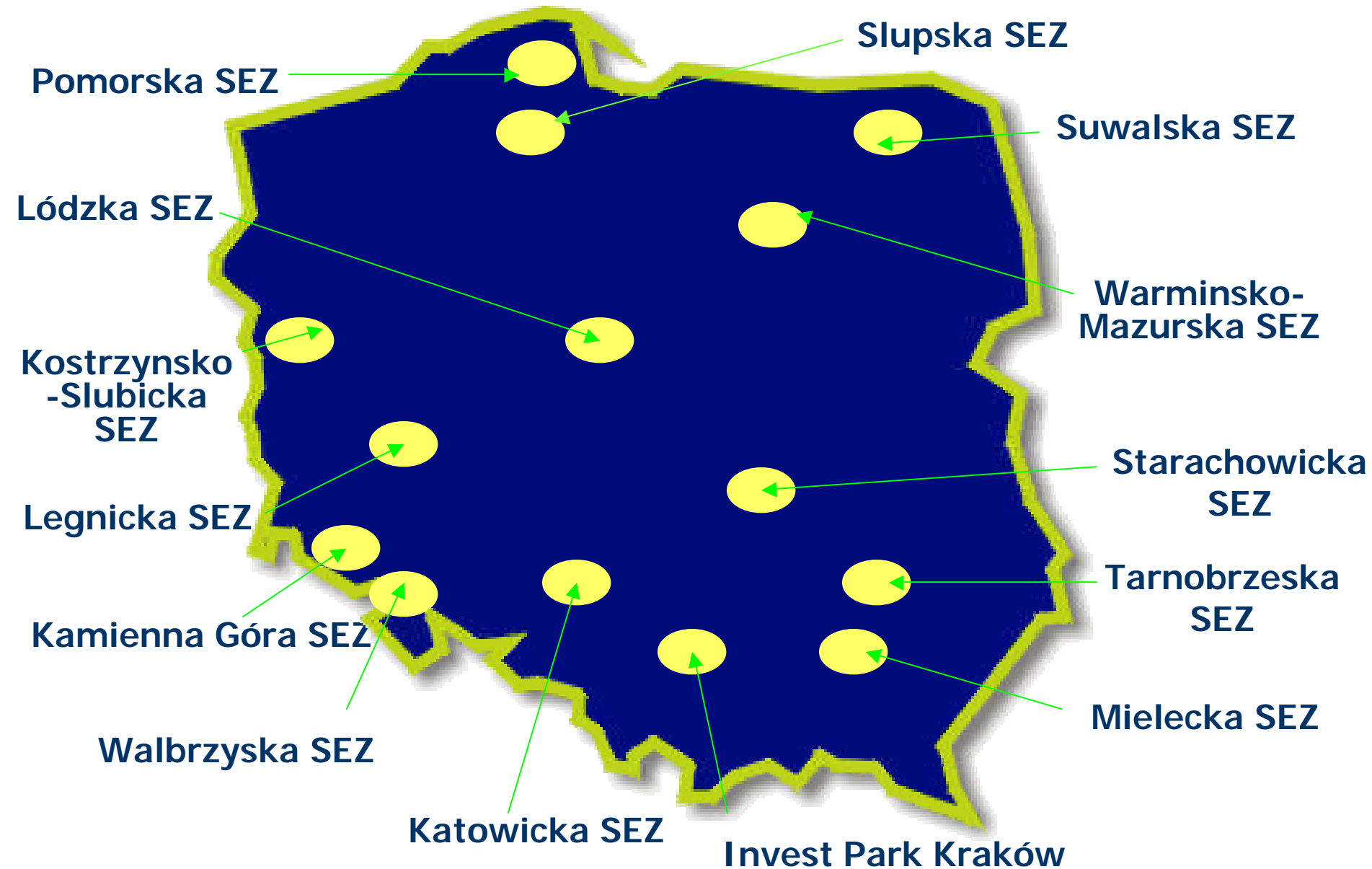
END OF NEGOTIATIONS

**POLAND IN THE EU****EU ACCESSION - IMPLICATIONS**

- Poland - part of the single market of 400 million
- Free movement of goods, services, capital and labor
- A rise of production volume
- Increase in FDI inflow
- Increase of economical credibility
- Financial aid funds from the EU

**POLAND IN THE EU****EU ACCESSION – EURO ZONE**

- Maastricht Treaty requirements:
  - Inflation less than 3%
  - Public debt less than 60% of GDP
  - Yearly budget deficit less than 3% of GDP
- Poland member of ERM – 2 system in 2004
- 2+ years of the transition period
- Poland member of the Euro system in 2006



## POLISH ECONOMY – USEFULL WEB SITES

- Polish Customs Duty Tariff 2003  
[http://clo.mg.gov.pl/ts\\_taryfa.asp?lid=1](http://clo.mg.gov.pl/ts_taryfa.asp?lid=1)
- Ministry of Economy  
<http://web.mg.gov.pl/portalout/index.jsp>
- Polish Agency for Foreign Investments  
<http://www.paiz.gov.pl/oldpaiz>
- Polish Official Statistics  
<http://www.stat.gov.pl/english/index.htm>



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*See You Again Soon....*

*...in POLAND*

